

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 688 - HB 1292

March 16, 2017

SUMMARY OF BILL: Increases, from eight to twelve, the number of festivals a winery may hold each year. Deletes the requirement that persons serving wine at such festivals hold a server permit. Deletes the requirement that an individual must hold a manager's permit when in control of a winery that is involved in retail sales.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – \$800/FY17-18 and Subsequent Years/ABC

Decrease State Revenue – \$7,800/FY21-22 and Every Five Years Thereafter/ABC

Assumptions:

- Based on information provided by the Alcoholic Beverage Commission (ABC), 39 manager's permits have been issued to wineries that will no longer be required. These permits are valid for a period of five years; all current permits will expire in FY21-22.
- Each manager's permit has a fee of \$200 every five years.
- There will be a decrease in state revenue to ABC estimated to be \$7,800 in FY21-22 and every five years thereafter.
- Any forgone revenue from future manager's permits issued over any five year period is estimated to be not significant.
- Any impact on the number of server permits issued is considered not significant.
- Authorizing festivals to be held 12 times per year, rather than eight, will result in additional one-day festival licenses.
- Each one-day license fee is \$100.
- Based on information provided by ABC, there will be an additional eight one-day licenses issued on average each year.
- The recurring increase in state revenue to ABC is estimated to be \$800 (\$100 fee x 8 licenses) beginning in FY17-18.
- Any increase in state and local tax collections related to additional wine festivals is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jaw